

Message Text

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43

ACTION EB-11

INFO OCT-01 EUR-25 NEA-10 ISO-00 CAB-09 CIAE-00 COME-00

DODE-00 INR-10 NSAE-00 RSC-01 FAA-00 DOTE-00 L-03

TRSE-00 SS-15 NSC-10 PA-03 PRS-01 USIA-15 DRC-01 /115 W

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INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY NICOSIA

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

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E.O. 11652: N/A

TAGS: ETRN, XT

SUBJECT: CIVAIR: ECAC REACTION TO CAB POLICY STATEMENTS ON
NORTH ATLANTIC FARES

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REF: STATE 178597

1. SUMMARY. EUROPEAN GOVERNMENT AND AIRLINE REPS AT ECAC FARES SEMINAR WITH ONE EXCEPTION WELCOMED CAB ACTION ON MINIMUM CHARTER RATES. BEGRUDGING ACCEPTANCE ACCOMPANIED BY RESENTMENT OVER METHOD WAS CONSENSUS OF REACTION TO CAB STATEMENT ON FARES FOR SCHEDULED OPERATIONS. ECAC WILL PROPOSE THAT AT OPPORTUNE TIME INFORMAL TALKS SUGGESTED BY US BE HELD WITH ECAC AND NOT BILATERALLY WITH INDIVIDUAL MEMBER STATES.

2. WHILE INTEREST IN CAB POLICY STATEMENTS OF SEPT 7 WAS CLEARLY WIDESPREAD AMONG PARTICIPANTS AT ECAC SEMINAR ON NORTH ATLANTIC FARES HELD PARIS SEPT 12-13, NO QUESTIONS THIS SUBJECT WERE FORMALLY ADDRESSED TO USG PARTICIPANTS DURING SEMINAR SESSIONS. IN RESPONDING TO QUESTIONS ON OTHER SUBJECTS DURING CLOSING SESSION OF SEMINAR, CAB REP (SHERER) ALLUDED TO ISSUANCE OF POLICY STATEMENTS IN STRESSING CAB AIM OF STIMULATING INDUSTRY INITIATIVE TO COME UP WITH MORE IMAGINATIVE FARE PACKAGE WITHIN CAB GUIDELINES, BUT THIS ELICITED NO COUNTER-COMMENT.

3. CORRIDOR DISCUSSIONS REVEALED THAT INFORMAL REACTION TO CAB STATEMENTS WAS MIXED. NOTICE OF PROPOSED RULEMAKING ON MINIMUM CHARTER RATES WAS, WITH ONE EXCEPTION, WELCOMED BY REPS OF EUROPEAN GOVERNMENTS AND AIRLINES WITH WHOM WE SPOKE. (TEMME OF FINLAND WAS THE EXCEPTION, EXPRESSING STRONG DOUBTS THAT CHARTER FLOOR WOULD BE ANY EASIER THAN AFFINITY RULE TO ENFORCE.) ECAC EGO WAS OF COURSE FLATTERED BY VIRTUE OF ORGANIZATION'S OWN RECOMMENDATION VOTED IN STRASBOURG LAST JUNE FOR MINIMUM CHARTER RATES.

4. REACTION WAS MORE NUANCED WITH REGARD TO CAB POLICY STATEMENT ON FARES FOR SCHEDULED OPERATIONS. HAMMARSKJOLD AND OTHER IATA OFFICIALS EXPRESSED SOME ANNOYANCE WITH ISSUANCE OF CAB STATEMENT, WHICH THEY CONTENTED HAD HAD DISRUPTIVE INFLUENCE ON LIMITED OFFICIAL USE

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DELIBERATIONS AT IATA RATE CONFERENCE AT NICE AT TIME WHEN, THEY SAID, THINGS HAD BEEN GOING FAIRLY WELL. NONE OF REPS WITH WHOM WE SPOKE WELCOMED CAB STATEMENT, BUT NEGATIVE REACTION SEEMED FAIRLY MUTED BY END OF TWO-DAY SEMINAR AS VISCERAL REACTION GAVE WAY TO MORE CONSIDERED EVALUATION OF STATEMENT AND ITS IMPLICATIONS. (WE POINTED OUT TO SEVERAL REPS THAT CAB STATEMENT WAS, INDEED, IN LINE WITH

HAMMARSKJOLD RECOMMENDATION TO FARES SEMINAR THAT GOVERNMENTS PROVIDE AIRLINES WITH BETTER POLICY GUIDANCE TO PERMIT MORE RATIONAL LONG-TERM FARES POLICY.) IN SUM, OVER-ALL REACTION SEEMED TO BE ONE OF BEGRUDGING ACCEPTANCE OF CAB POLICY LINE BUT ILL-CONCEALED RESENTMENT AT BEING CONFRONTED WITH FAIT ACCOMPLI OF CAB "FINAL" POSITION. SOME GOVERNMENTAL REPS PRIVATELY CONTRASTED FINALITY OF CAB STATEMENT WITH US POSITION THAT HAD BEEN CONVEYED TO THEM EARLIER IN HOME CAPITALS (STATE 175687).

5. DOZ OF ECAC SECRETARIAT HAS SINCE CONFIRMED TO RCAA THAT ECAC REPS AT THEIR SEPARATE MEETINGS ON OCCASION OF FARES SEMINAR WERE NOT SO MUCH CRITICAL OF CONTENT OF CAB STATEMENT ON SCHEDULED OPERATIONS AS ON METHOD BY WHICH THEY CONSIDERED EUROPEAN GOVERNMENTS AND AIRLINES WERE ABRUPTLY CONFRONTED WITH ENUNCIATION OF CAB POLICY ON TAKE-IT-OR-LEAVE-IT BASIS.

6. DOZ SAID THAT DISCUSSIONS AMONG ECAC MEMBERS FOCUSED PRIMARILY, HOWEVER, ON US SUGGESTION CONVEYED TO CERTAIN ECAC MEMBERS STATES FOR INFORMAL BILATERAL TALKS ON FARES QUESTION. CONSENSUS WAS THAT TALKS SHOULD BE HELD AT OPPORTUNE TIME NOT BILATERALLY WITH INDIVIDUAL ECAC MEMBER STATES BUT WITH ECAC AS A WHOLE. VERES, ECAC PRESIDENT, WAS AUTHORIZED TO PROPOSE THIS TO USG. VERES DEPARTED PARIS BEFORE BEING ABLE TO COMPLETE DRAFTING OF COMMUNICATION TO US ALONG ABOVE LINES, SO WE DO NOT KNOW WHETHER HE WILL ADDRESS IT TO US DIRECTLY FROM LISBON OR VIA ECAC SECRETARIAT IN PARIS.

STONE

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